GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3923
ANSWERED ON:09.08.2002
OVERSEAS JOINT VENTURE COMPANIES
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have directed that overseas joint venture companies promoted by the Union Government and public sector enterprises should purchase goods and services from Indian vendors only;

(b) if so, the details thereof; and

(c) the extent to which it will help in increasing the exports from the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANT G. GEETE)

(a) and (b): According to the guidelines issued by Department of Economic Affairs on 4th June 2002, inrespect of overseas joint venture projects co-promoted by Government of India/ Public Sector Enterprises, it isexpected of the concerned Ministry/PSE to endeavour to make a provision in the joint venture agreements/contracts requiring sourcing of goods and services from Indian vendors, on competitive price basis, to the maximum extent possible and, at least, to the extent of Indian promoter`s proportionate share in the financial cost of the project

(c): It is difficult to make an estimate of the increase in the exports as they are dependent upon various other factors.